



Senate Republican Caucus Study:

Working for **WASHINGTON**

February 8, 2002
Status Report

To follow is a brief status report of the Senate Republicans' Jobs & Business Package with the highest-listed Republican and Democratic sponsors, companion measures in the House of Representatives, and consistency with the Governor's Competitiveness Council recommendations indicated.

1. **Issuing a "Golden Rule" and "Re-invent Government" Executive Order.*** (No legislation needed). An Executive Order and directives from state agencies should do two things: (1) direct government employees to view the public as customers and treat them with respect and dignity; and (2) direct agencies and departments to review their goals, missions and measures of success, and improve responsiveness and public service.
Status: Awaiting Governor's action.
2. **Streamlining environmental permitting.* SB 6701 (Sen. Val Stevens-R & Sen. Tim Sheldon-D)** creates a temporary "Ombudsman for Effective Government" to enhance the continued economic stability and vitality of the state by ensuring all employees of the state treat businesses and citizens consistently and compassionately.
Status: Introduced and referred to State & Local Gov' t Committee. No hearing scheduled.
3. **Limiting construction defect claims.* SB 6409 (Sens. Margarita Prentice/James Hargrove-D & Sens. Steve Johnson/Dino Rossi-R) and HB 2565 (Rep. Bill Fromhold-D & Rep. Brad Benson-R)** would (1) allow the contractor an opportunity to fix or pay for residential construction defects before a lawsuit is filed; (2) require an initial list of construction defects to be filed with a construction defect lawsuit; and (3) require that, before filing a lawsuit, the officers of a condominium association must notify all unit owners of the lawsuit and its anticipated cost.
Status: Senate bill approved by Labor & Commerce Committee; House bill approved by House Judiciary Committee; both bills in respective Rules committees
4. **Limiting agency rule-making authority to legislative intent. SB 6252 (Sen. James West-R & Sen. Tim Sheldon-D) and HB 2740 (Rep. Toby Nixon-R)** amend the individual statutes for 35 various state agencies and departments to require that any new rules they introduce must be derived from and include the specific statutory grant of authority from the Legislature.
Status: Senate bill heard in State & Local Government Committee but not scheduled for executive action. House bill in State Government Committee—no hearing.
5. **Requiring significant legislative rules to sit through one legislative session before taking effect. SB 6564 (Sen. Pat Hale-R & Sen. Marilyn Rasmussen-D) and HB 2787 (Rep. Ed Orcutt-R)** require significant legislative rules to be adopted before December 1 and not take effect until after the end of the next regular legislative session. A "significant legislative rule" is one that imposes a penalty; affects the qualifications for a license or permit; or significantly changes or makes a new policy or regulatory program. This allows the Legislature time to review the new rule and determine if it reflects legislative intent.
Status: Senate bill heard in State & Local Government Committee, but chair will not schedule for a vote. House bill in State Government Committee—no hearing.
6. **Requiring agencies to notify employers and businesses about rule changes that affect them.** Because the impact for changes to rules and policies can be enormous, **SB 6431 (Sen. Pat Hale-R & Sen. Sid Snyder-D) and HB 2780 (Rep. Janéa Holmquist-R)** require agencies to notify those whom their regulations will directly affect within 200 days of adoption of the rule.
Status: Senate bill approved by the State & Local Government Committee. House bill in State Government Committee—no hearing.

7. **Requiring the governor to approve any proposed rule before it takes effect.* SB 6251 (Sen. James West-R & Sen. Tim Sheldon-D) and HB 2781 (Rep. Janéa Holmquist-R)** promote agency oversight and accountability by giving the Governor an opportunity to review new rules to determine if it should be adopted. **Status:** Senate bill heard in State & Local Government Committee. House bill in State Government Committee—no hearing.
8. **Reforming the master business license program.*** (Letter drafted). Directs the Department of Licensing to expedite and reform its efforts to work with cities and counties on developing a master business license that suffices for multiple jurisdictions, a true “one-stop shopping” center for business licensing. **Status:** Sen. Joseph Zarelli-R has drafted a letter from the SRC “Job Squad” Committee requesting JLARC to undertake a study of the effectiveness of the Master License Program and how it might be improved. (The governor’s office is drafting an executive order to expand the MBL program to cities and the Dept. of Licensing is developing a system to do this.)
9. **Promoting municipal tax fairness. * SB 6759 (Sen. Dino Rossi-R & Sen. Tim Sheldon-D) and HB 2555 (Rep. Aaron Reardon-D and Rep. Cathy McMorris-R)** clarify and streamline city collection of taxes to make their rules track with and parallel state rules to eliminate confusion and avoid double taxation and administrative complexity. **Status:** Senate bill referred to Ways & Means Committee. House bill heard in Finance Committee.
10. **Delaying implementation of ergonomics rules until more data is collected.* SB 5882 (Sen. Tim Sheldon-D & Sen. Pat Hale-R) and HB 1896 (Rep. Jim Clements-R & Rep. Jeff Morris-D)** suspend ergonomics regulations until more risk and cost data are collected. **Status:** Senate bill on third reading. House bill in Commerce and Labor Committee.
11. **Clarifying the tax treatment of investment income. * SB 6384 (Sen. Lisa Brown-D & Sen. Dino Rossi-R at governor’s request) and HB 2641 (Rep. Jeff Gombosky-D and Rep. Jack Cairnes-R at governor’s request)** ensure that investment income is treated the same for business and occupation tax purposes. The bill clarifies the deductibility of investment income that resulted from the decision of the state Supreme Court in *Simpson Investment Co. v. Department of Revenue*. **Status:** Senate bill heard in Ways & Means Committee. House bill heard in House Finance Committee.
12. **Requiring a “competitive impact statement” in fiscal notes for bills before the Legislature. SB 6757 (Sen. Dino Rossi-R & Sen. Tim Sheldon-D)** requires a “competitive impact statement” in fiscal notes for bills to explain the impact on businesses and jobs. **Status:** Referred to State and Local Government Committee – no hearing yet.
13. **Placing the burden of proof for rules on the proposing agency & allowing challenge in any county.* SB 6749 (Sen. James West-R & Sen. Georgia Gardner-D)** places the burden of proof on agencies instead of challengers for administrative validity. It also allows challenges to occur in any county. Current law provides that challenges must be made in Thurston County, which is an inconvenient forum for many businesses. The rules are enforced in every county—they should be subject to review in every county. **Status:** Referred to Senate State and Local Government Committee—no hearing yet.
14. **Reexamining the state’s bare bones health care coverage:** Under **SB 6780 (Sen. Linda Evans-Parlette-R)**, insurance companies can offer small business owners a health plan for employees with affordable options. Under current law, all plans have to be at least equal to the state’s Basic Health Plan (BHP), which has required coverage that makes such plans too costly for many small employers. **Status:** Referred to Health and Long-Term Care Committee—no hearing yet.